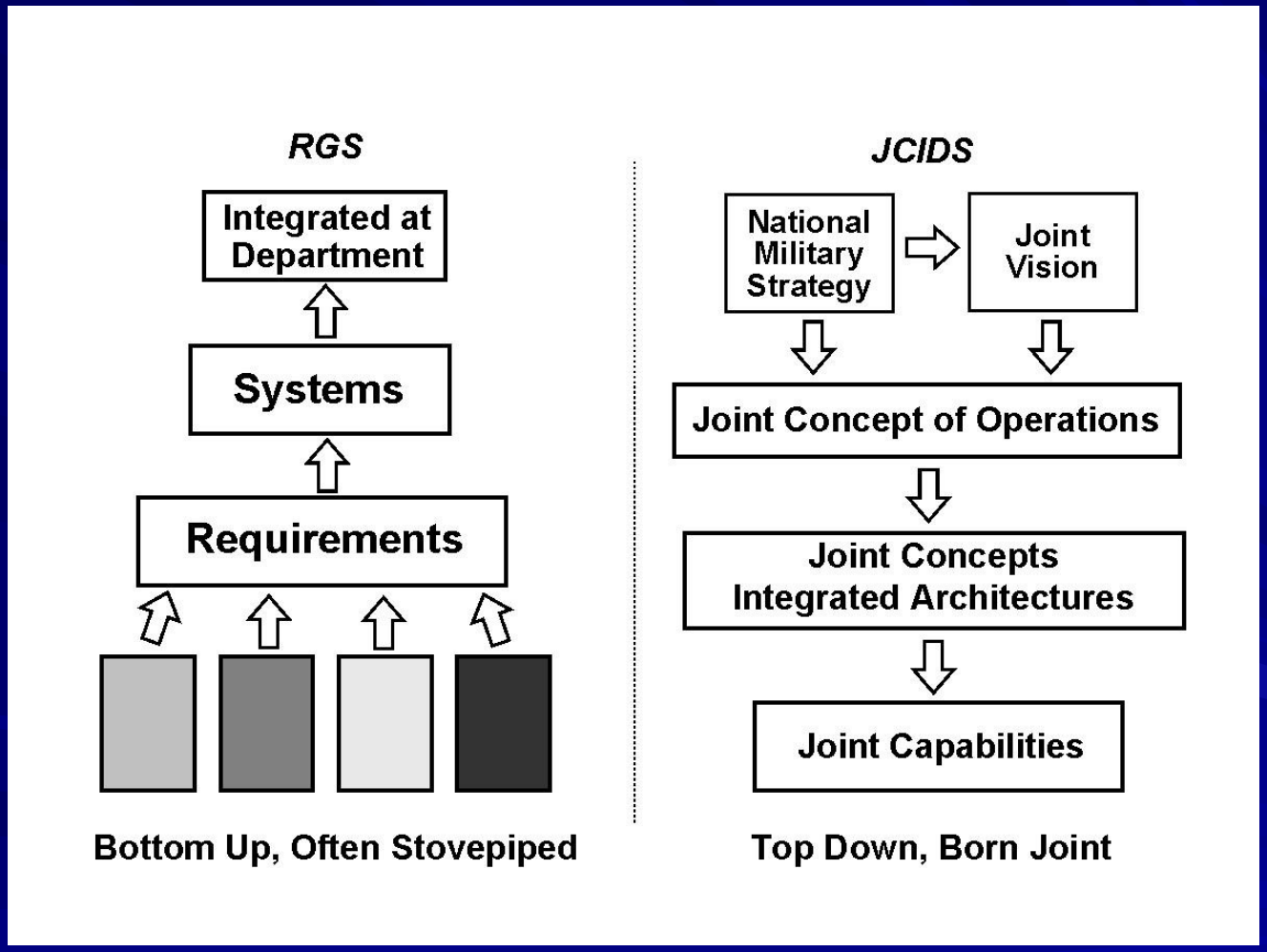
DoD Acquisition Update

What are the most recent changes?

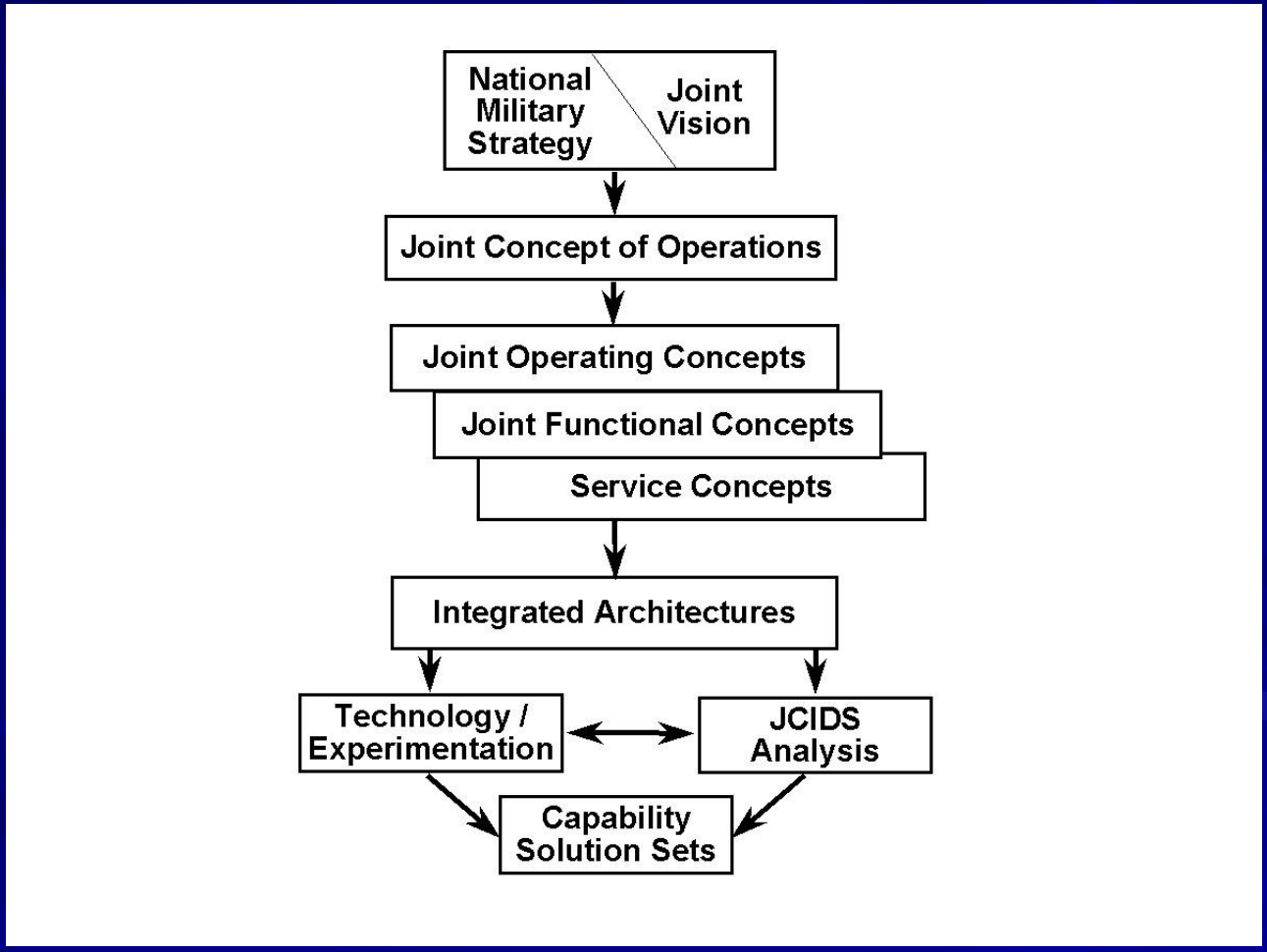
Joint Capabilities Integration and Development System (JCIDS)

- JCIDS replaces the old Requirements Generation System
- JCIDS Documents replace the old Mission Needs Statement (MNS) and Operational Requirements Document (ORD)

RGS and JCIDS Compared



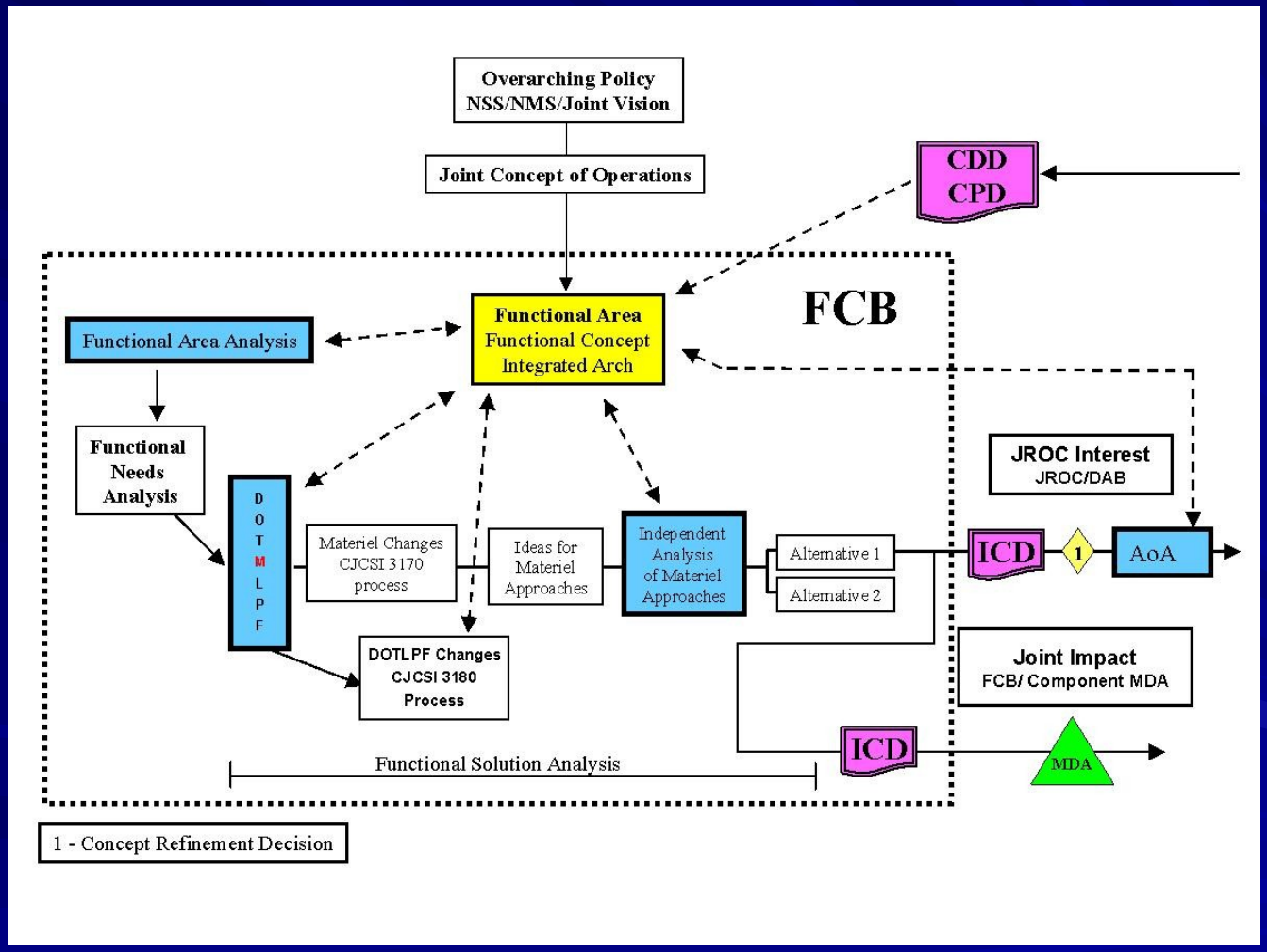
A New Capabilities-Based Methodology



Functional Capabilities Boards

- Functional Capabilities Boards (FCB)
  - Permanently established body responsible for the organization, analysis and prioritization of warfighting requirements within an assigned functional area
  - Responsible for coordinating, integrating and deconflicting the efforts of all components within its designated functional area
  - Will develop a prioritized list of all warfighting requirements within its assigned area(s).

The FCD Process



Functional Capabilities Board

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Chartered FCBs

- The JROC:
  - Charters FCBs
  - Assigns functional area(s) of responsibility
  - Identifies the lead organization to chair
- FCBs chartered:
  - Command & Control
    - Brig Gen Rogers (JFCOM) supported by RDML Brown (J6)
  - Battlespace Awareness – RDML Murrett (J2)
  - Force Application – Brig Gen Scott (J8)
  - Focused Logistics – Brig Gen Taylor (J4)
  - Protection – RADM Mathis (J8)

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FCB Membership

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JWCA Responsibilities

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Additional Information

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- http://www.dtic.mil/cjcs_directives
- http://www.dau.mil
-

FCB Documents

- Initial Capabilities Document (ICD)
  - The ICD documents the need of a materiel solution. The ICD replaces the Mission Needs Statement, and supports the Analysis of Alternatives, the Technology Development Strategy, the Milestone-A acquisition decision, and subsequent Technology Development activities.

FCB Documents

- Capability Development Document (CDD)
  - Guided by the ICD, the Analysis of Alternatives, and the Technology Development Strategy (submitted in accordance with DODI 5000.2 series), the CDD captures the information necessary to develop a proposed program, normally using an incremental evolutionary acquisition strategy. The CDD will outline the effort to deliver an affordable increment of militarily useful and technically mature capability. The CDD supports the Milestone B acquisition decision.

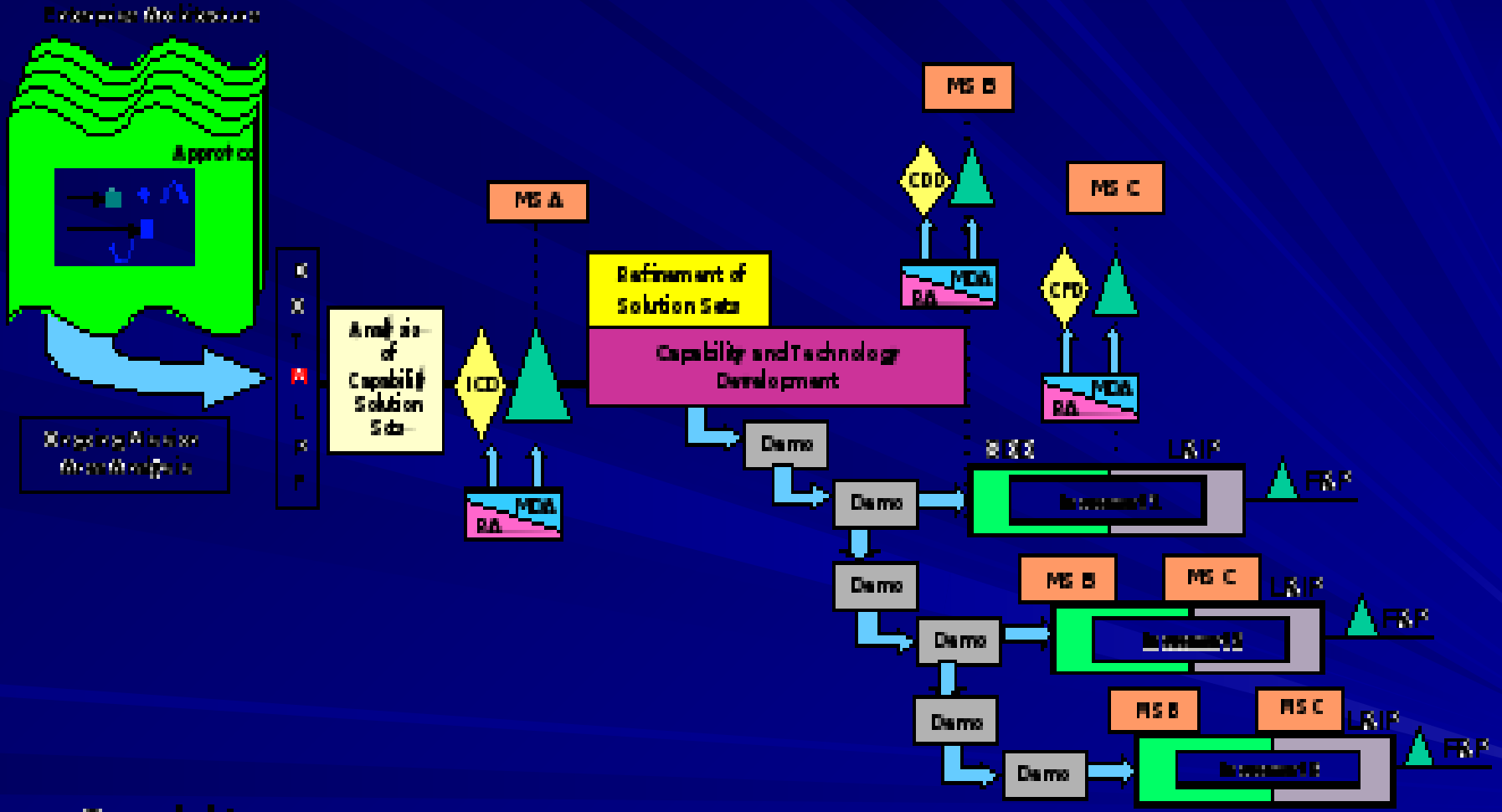
FCB Documents

- Capability Production Document (CPD)
  - The CPD addresses the production elements specific to a single increment of an acquisition program. A CPD is developed after critical design review and is required prior to the Milestone C decision review. The CPD must be approved prior to Low Rate Initial Production (LRIP), and any Initial Operational Test/Evaluation.

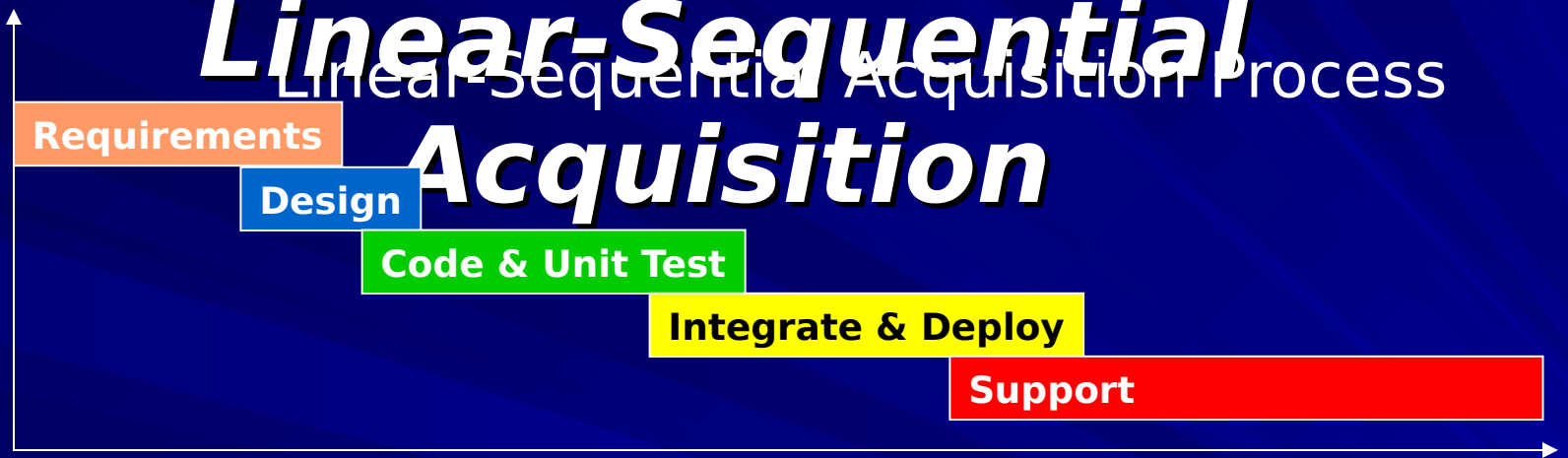
FCB Documents

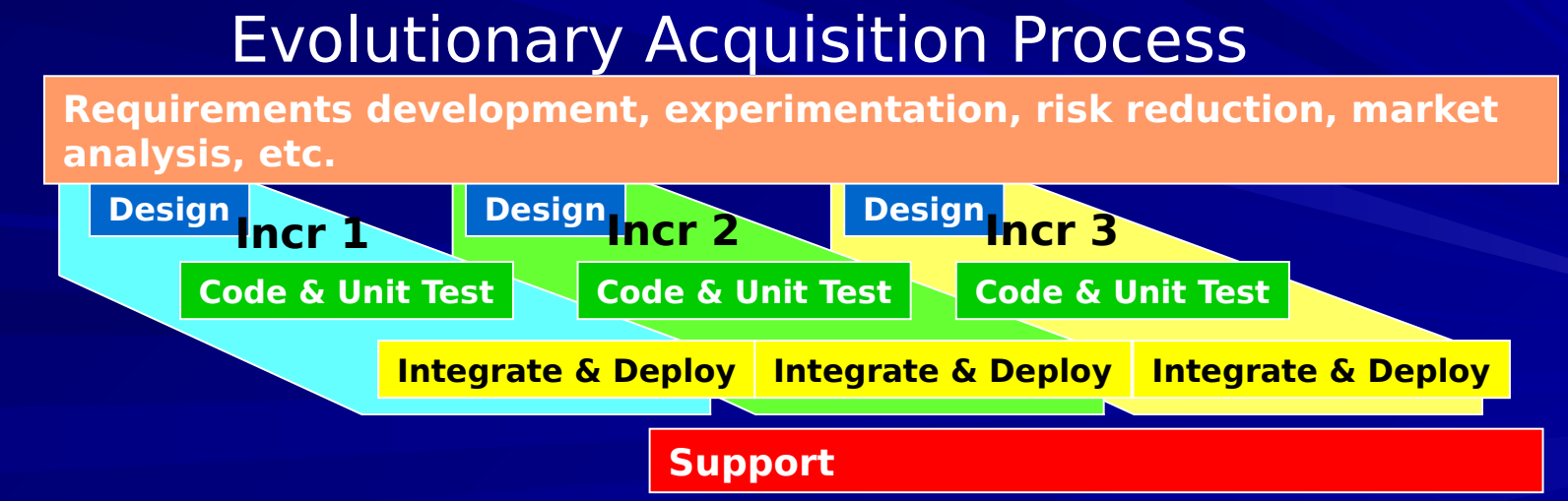
- Capstone Requirements Document (CRD)
  - Until joint concepts and integrated architectures are adequately developed, CRDs will continue to support the development of interoperable capabilities by describing overarching requirements in functional areas, families-of-systems and systems-of-systems.

Requirements/Acquisition Process

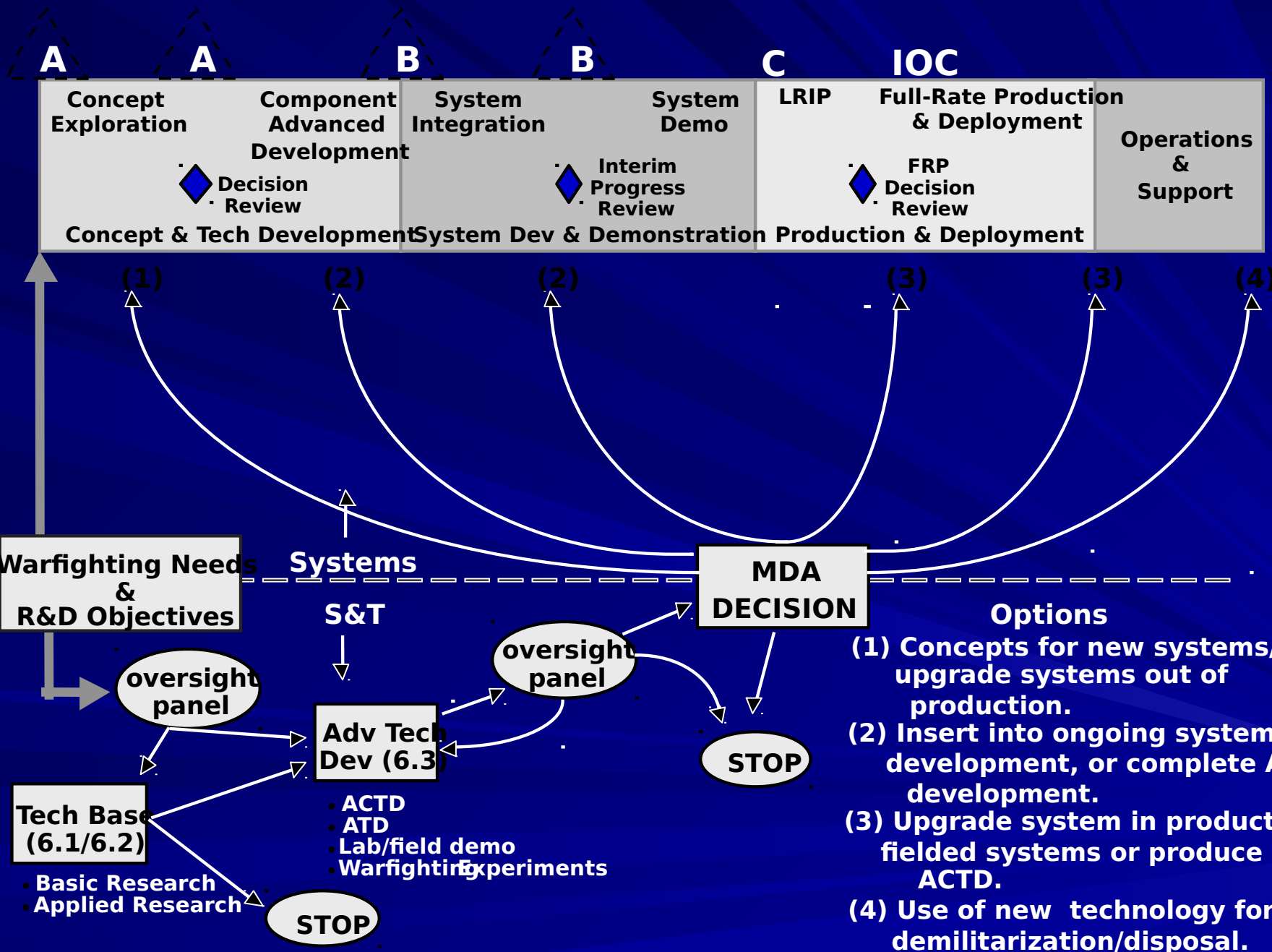


Evolutionary Acquisition versus Linear-Sequential Acquisition





Where to Enter the Acquisition Process



Resource Management System

- PPBE is the primary resource management system for DoD:
  - Articulates strategy
  - Identifies size, structure and equipment for military forces
  - Sets programming priorities
  - Allocates resources
  - Evaluates actual output against planned performance and adjusts resources as appropriate

PPBE Phases

- Planning
  - Assess capabilities / review threat
  - Develop guidance
- Programming
  - Turn guidance into achievable, affordable packages
  - Six-year program (Future Years Defense Program)
- Budgeting
  - Test for efficient funds execution
  - Scrub budget years
  - Prepare defensible budget
- Execution Review (concurrent with program/budget review)
  - Develop performance metrics
  - Assess actual output against planned performance
  - Adjust resources to achieve desired performance goals

Management Initiative Decision (MID) 913

Major Initiatives:

- Quadrennial Defense Review (QDR) shifted from the first to the second year of a new administration
- Move to a two-year cycle
- Off-year Strategic Planning Guidance (SPG)/Joint Programming Guidance (JPG) is optional (at the discretion of SECDEF); will not introduce major changes in off-year
- Off-year review focus on execution and performance
- Create a single standardized programming and budgeting system for data collection and management

MID 913

Changes to Program/Budget/Execution Review:

- Transition to a true biennial process
- Incorporate metrics and cost models
  - Focus on outputs: what are we getting for our money?
- Over time, metrics will become the analytical underpinning to ascertain whether the appropriate allocation of resources exists

DEPSECDEF Direction for FY 2005 - 2009 Submission

- No DPG-05
  - Components comply with DPG-04 and PDM direction
- No FY05-09 Program Objective Memorandum (POM) or Budget Estimate Submission (BES) submittal to OSD
- Components instead submit Program Change Proposals (PCPs) or Budget Change Proposals (BCPs)
  - Both BCPs and PCPs will be cost neutral (offsets required)
  - PCPs resolved thru Program Decision Memorandums (PDMs)
  - BCPs resolved thru Program Budget Decisions (PBDs)

Program Change Proposals (PCPs)

- Identify areas to take additional risk (offsets)
  - Offsets may be used for other initiatives
- Limited to items that exceed $250 million across FYDP
  - Threshold at individual programmatic issue level
  - May address smaller issues if serious programmatic problem
  - If less than $250 million, may submit as BCP if budget year is affected
- Must comply with PDM decisions
- Combatant Commanders may submit up to six prioritized PCPs regardless of dollar value
- Full budgetary data submitted for accepted PCPs

Budget Change Proposals (BCPs)

- Generally limited to fact-of-life changes:
  - Cost increases
  - Schedule delays
  - Management reform savings
  - Workload changes
  - Budget execution experience
  - Congressional action
- May involve FYDP years if total cost is less than $250 million and budget year is affected
- Offsets required
- Backed up with appropriate budget exhibits

Who Submits PCPs/BCPs

- Under Secretaries of Defense (USDs)
- ASD (Network and Information Integration)
- Director, Operational Test & Evaluation (DOT&E)
- Chairman, Joint Chiefs of Staff
- Secretaries of Military Departments
- Combatant Commanders (COCOMs)
  - Submit PCPs through J-8
  - Submit BCPs through Service Executive Agent
- Directors of Defense Agencies
  - Submit PCPs through OSD Principal Staff Assistant
  - Submit BCPs to OSD Comptroller

Four Years in the Biennial Cycle

Corresponding to Four-Year Presidential Terms

Year 1 (Review and Refinement):

- Early National Security Strategy (NSS)
- Off-year SPG/JPG as required (at discretion of SECDEF)
- Limited Changes to Baseline Program

Year 2 (Formalize the Agenda):

- Quadrennial Defense Review (QDR) – Aligned with PB submission in second year of an administration
- Fiscal Guidance Issued
- On-year SPG/JPG (implementing QDR)
- POM/BES Submissions

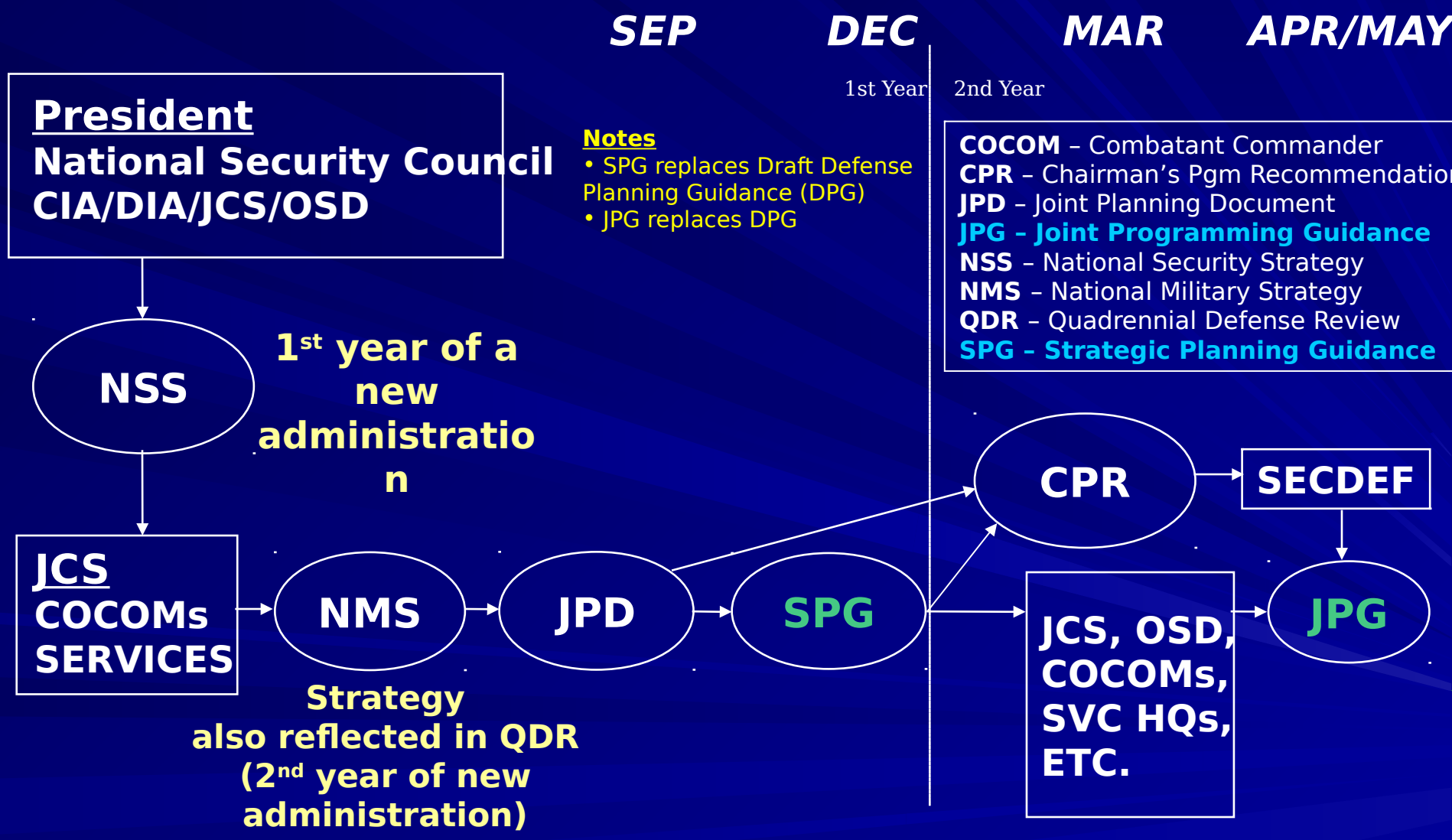
Year 3 (Execution of Guidance):

- Off-year SPG/JPG as required (at discretion of SECDEF)
- Limited Changes to Baseline Program

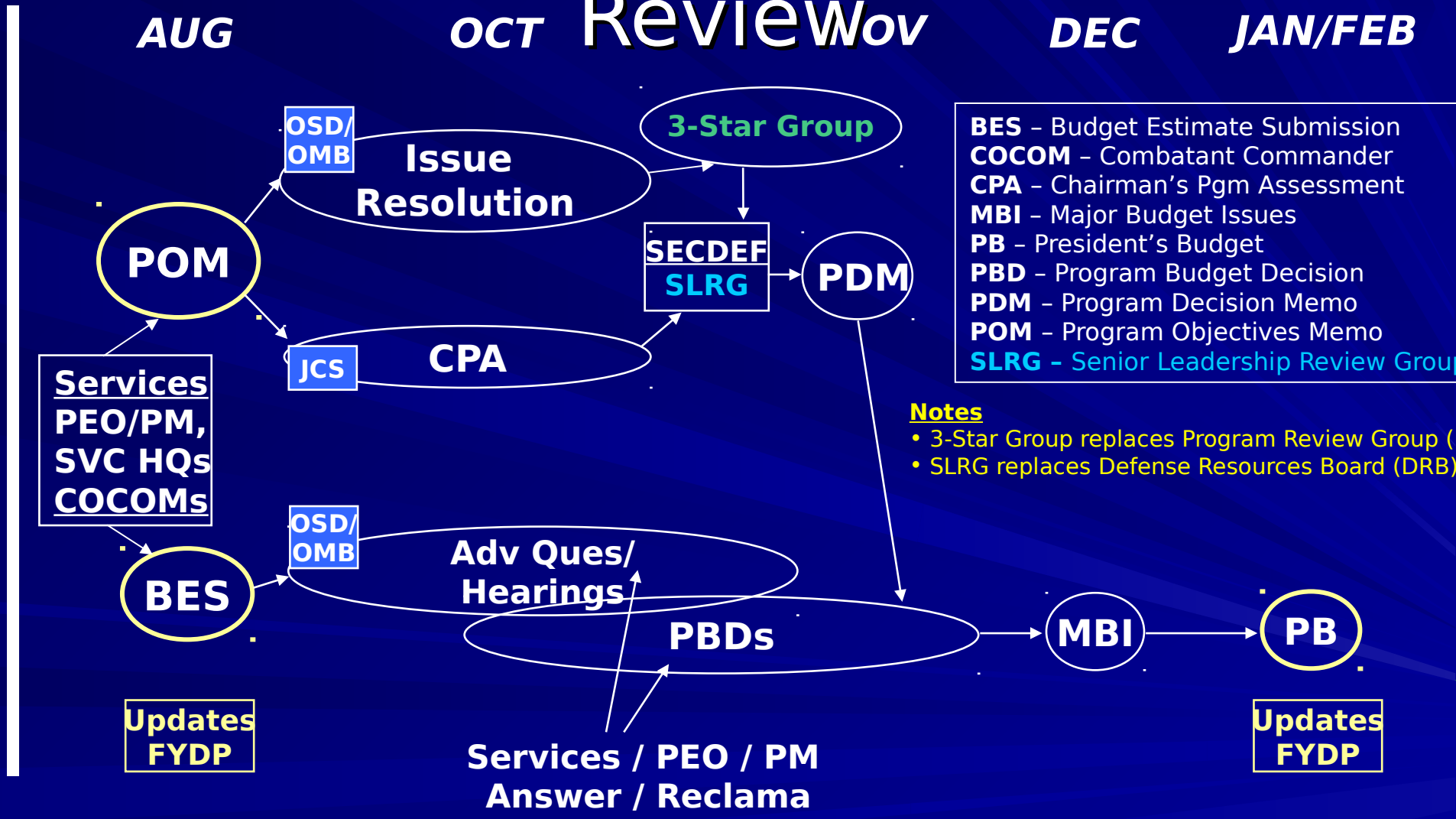
Year 4 (Ensuring the Legacy):

- Fiscal Guidance Issued
- On-year SPG/JPG (refining alignment of strategy and programs)
- POM/BES Submissions

Planning Phase



Concurrent Program/Budget Review

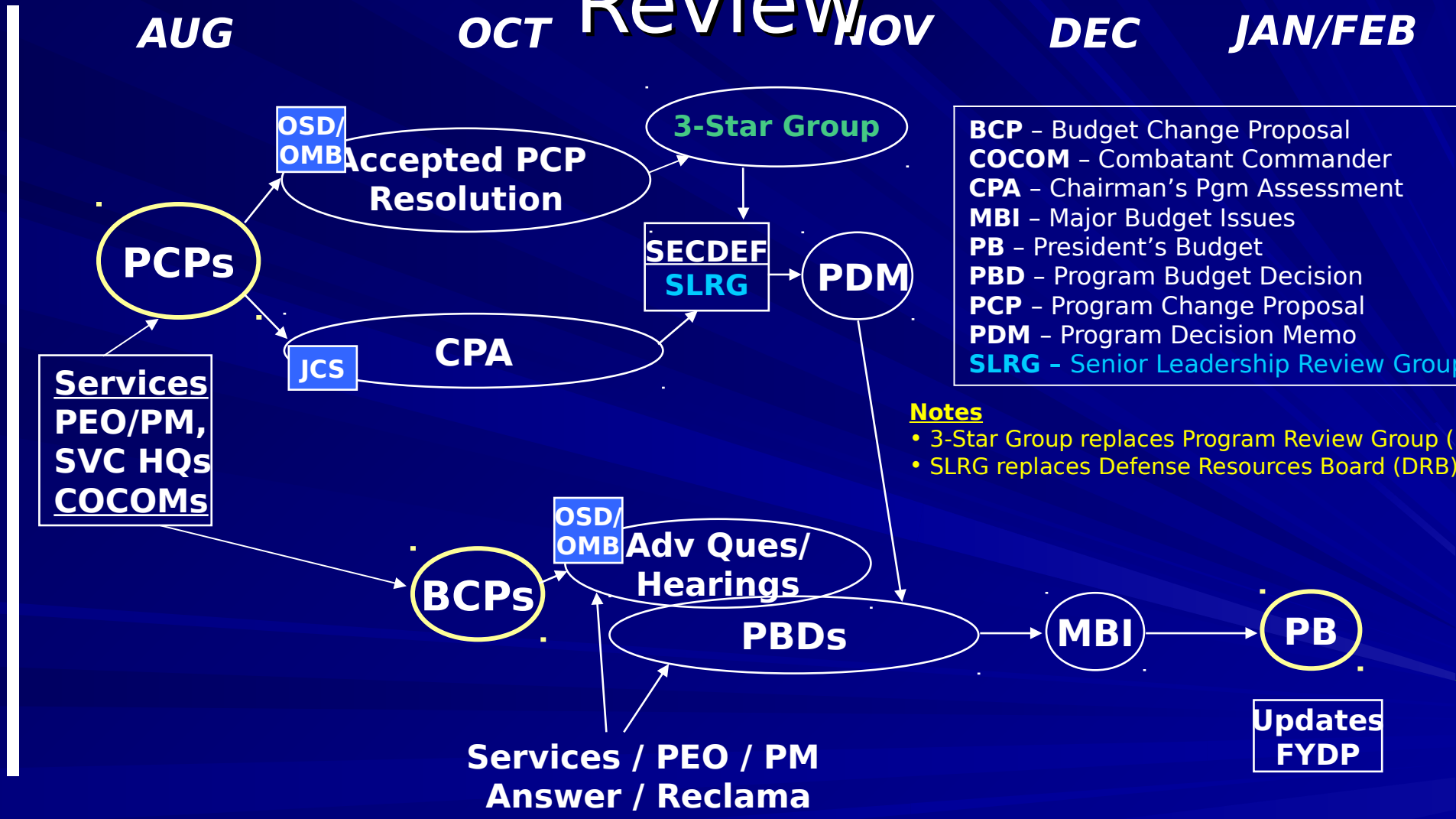


BES – Budget Estimate Submission
COCOM – Combatant Commander
CPA – Chairman's Pgm Assessment
MBI – Major Budget Issues
PB – President's Budget
PBD – Program Budget Decision
PDM – Program Decision Memo
POM – Program Objectives Memo
SLRG – Senior Leadership Review Grou

Notes

- 3-Star Group replaces Program Review Group (
- SLRG replaces Defense Resources Board (DRB)

Off-Year Program/Budget Review



BCP – Budget Change Proposal
COCOM – Combatant Commander
CPA – Chairman's Pgm Assessment
MBI – Major Budget Issues
PB – President's Budget
PBD – Program Budget Decision
PCP – Program Change Proposal
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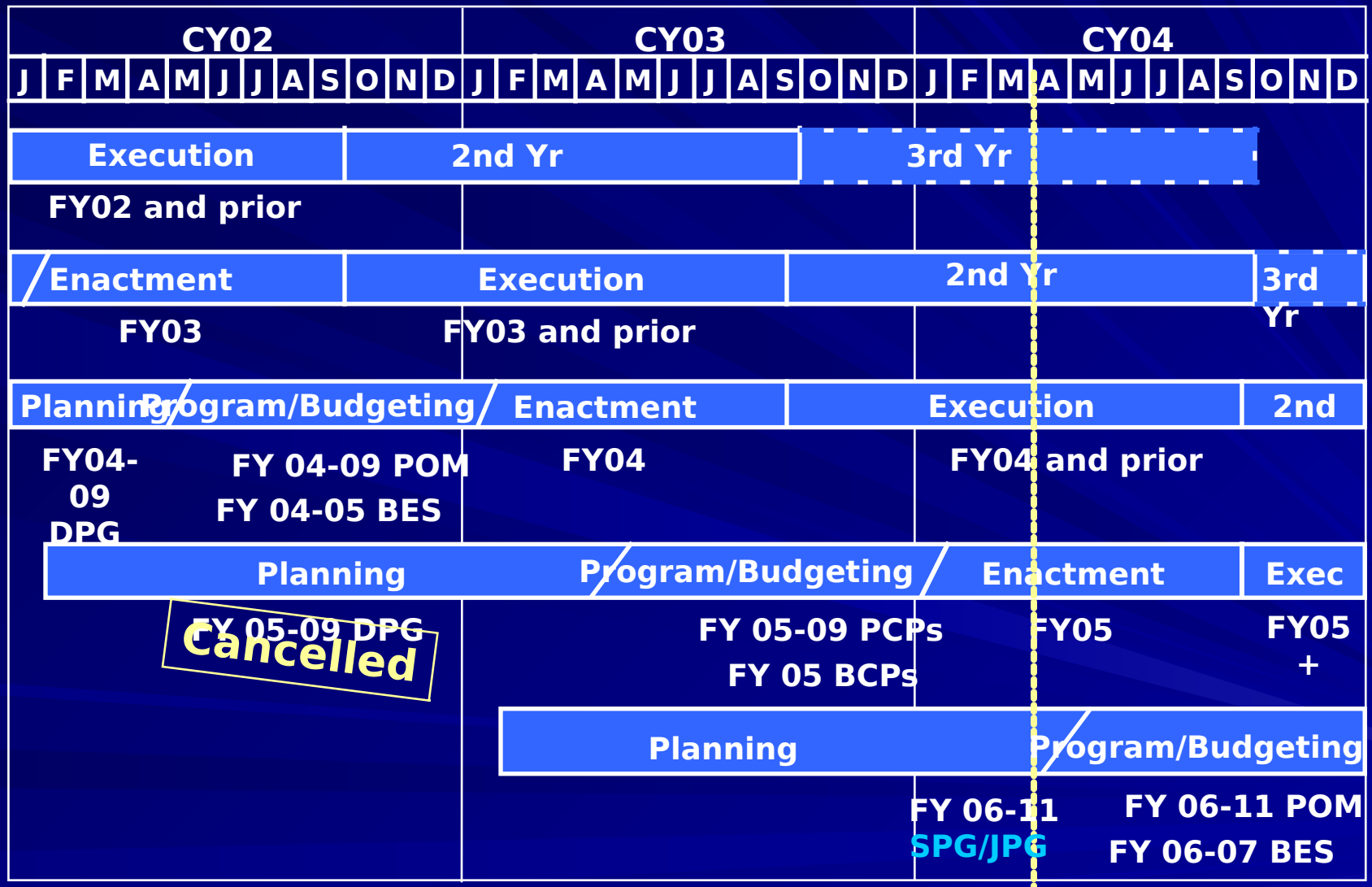
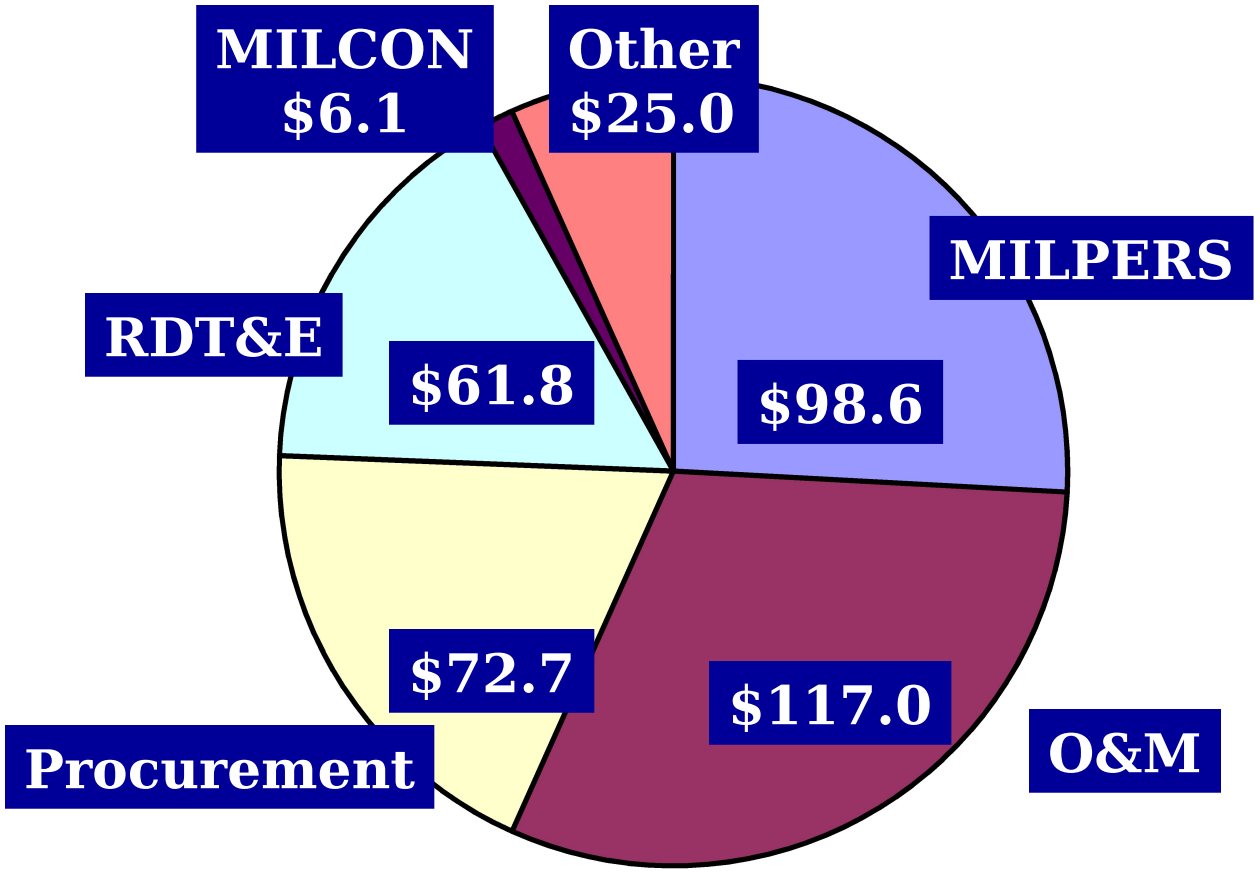
Resource Allocation Process



DPG – Defense Planning Guidance Proposal PCP – Program Change Proposal BCP – Budget Change

DoD Budget FY04



http://www.dod.mil/comptroller

05-09 Programming/Budgeting Phase

- 78-79 PCP's submitted during the 05-09 Programming/Budgeting phase this year
  - 20 additional PCP's were then added
- 20 PCP's made the final cut
  - 15-20 were turned back and told to include in the BCP process not the PCP process
  - Those that did not address FY 05 issues were turned back to be included in the 06-11 POM/BES
  - The remaining were turned back due to "unclear" offsets being provided

05-09 Programming/Budgeting Phase

- The word given out was that offsets had to be provided (at the Service level) and that once submitted could be taken without getting back what you asked for
- PA&E said they looked at each PCP, issue by issue for the reasonableness of the trade
- Rumor has it that many of the offsets provided for PCP's were also provided as offsets for BCP's
  - PA&E returned any PCP's that they felt did not take the offsets seriously

SE Plan Requirement

- A Systems Engineering Plan is now mandatory for all programs without regard to ACAT level
  - Updated at each milestone
  - Required document for milestone review
- The development of a tailored plan as outlined in this course meets this requirement

How Will This Affect Me?

- Large program developments will likely be fewer and will take longer to enter acquisition
  - Look for more JSF like multi-service programs
  - Look for more ATDs and ACTDs
- Platform upgrades will still remain largely within the services
  - More technology insertion efforts
- Two year budget cycle
  - Funding window is once every two years
    - Difficult to change things in the off years
    - PM spends less time in budget battles

How Will This Affect Me?

- More program cancellations
  - Look for more Crusader/Comanche
- More Realistic Budgets
  - CAIG estimate vice service estimate
    - Fewer cost overruns due to inadequate resources
- Biggest Issue for NAVAIR
  - Life cycle cost of carrier-based aviation versus land-based aviation
    - Need to look at flexible basing